

DETAILED ACTION

1. This office action is in response to applicants' communication filed on November 16, 2012. Claims 1-205 are pending and have been examined. The rejections and response to arguments are stated below.

Section 14 of the Leahy-Smith America Invents Act

2. Alternate grounds of rejection of this non-final rejection are applicable because under the recently passed America Invents Act, the claimed invention includes a tax strategy as defined in section 14. Therefore, based on this section of the statute, there are alternate grounds of rejection under 35 U.S.C. 102 and/or 35 U.S.C. 103, which are included in this office action. For information regarding tax strategies under Section 14, Applicant should refer to the memo of September 20, 2011

(<http://www.uspto.gov/aia/implementation/tax-strategies-memo.pdf>)

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1-27, 31-52 and 56-205 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter, which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. In particular, claims 1, 2, 31, 56, 60, 74, 93, 102, 119, 126-130, 133, 140,

148, 154, 158, 161, 172, 173, 179-183, 193, and 197 are rejected under 35 U.S.C. § 112, first paragraph, because the specification, as originally filed, does not provide a written description disclosure to support the claimed limitations as discussed below. Similar reasoning and logic apply to the dependent claims. Dependent claims are also rejected by way of dependency on a rejected independent claim.

Claim 1 recites the limitations “processing data in a non-transitory memory of a computer, the computation in furtherance of a lease of leasing a space from a landlord to a tenant under a space lease” “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 2 recites “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease”, and “the data processed in the non-transitory memory representing one or more of a group consisting of the landlord, the tenant, a special purpose entity, a credit rating, a transaction date, a dollar amount, an investor or lender” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claims 31 and 102 recite the limitations “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease” (emphasis added).

However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 56 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease, the lease being a lease of an interest in real estate from a special purpose entity to a tenant” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 60 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of two leases, the leases being a lease of leasing a longer-lived asset and a lease of a shorter-lived asset to a lessee under two separate leases” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 74 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 93 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease, the lease being a lease of an interest in a space from a special purpose entity to a tenant” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 119 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease, the lease being a lease of an interest in real estate from a special purpose entity to a tenant” and “the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the asset” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions

of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 126 recites the limitation “the portion of the lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering messages for transmission to or received from a potential lessor or lessee on a non-transitory network, or displaying data on a non-transitory display, the data providing a solicitation to enter the improvements lease” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 127 recites the limitation “the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering messages for transmission to or received from a potential lessor or lessee on a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, or servicer under control of programs for managing or servicing the improvements lease” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written

description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 128 recites the limitation “the portion of the improvements lease performed by processing data in a non- transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee or a servicer over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non- transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, or servicer under control of programs for managing or servicing the improvements lease” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 129 recites the limitation “the portion of the improvements lease performed by processing data in a non- transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee, investor or lender over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, investor or lender under control of programs for financial analysis of the improvements lease” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no

written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 130 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant under a tenant improvements lease” and “data processed in the non-transitory memory of the computer representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or a lender who contributed capital to the tenant improvements or to an entity owning the tenant improvements” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 133 recites the limitations “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease” and “the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the improvements” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no

written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 140 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space from a special purpose entity to the tenant” and “data processed by a computer representing one or more of a group consisting of the landlord, the tenant, a dollar amount of a transaction, and an investor or lender” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 148 recites the limitations “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under leases of a longer-lived asset and a shorter-lived asset to a lessee under two separate leases”, and “data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 154 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a

lease of tenant improvements within a space from a special purpose entity to a tenant", and "data processed by the computer representing one or more of a group consisting of (a) the landlord, (b) the tenant, (c) a dollar amount of a transaction, and (d) an investor or lender" (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 158 recites the limitation "computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of an interest in a space from a special purpose entity to a tenant" and "data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender" (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 161 recites the limitation "computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of the improvements to the tenant under an improvements lease distinct from the space lease" and "data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender" (emphases added). However, the original specification does not provide a written description disclosure to support

the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 172 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of an interest in real estate from a special purpose entity to a tenant” and “data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 173 recites the limitations “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space from the special purpose entity to the tenant under the lease of claim 172” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 179 recites the limitations “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease of improvements to the space to the tenant”

under an improvements lease that is [a] distinct from the space lease and [b] structured together with the space lease to support an accounting conclusion that [b][1] the space lease and improvements lease are to be considered together as a single lease and [b][2] classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 180 recites the limitations “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease”, and “said computing data comprising soliciting, originating, managing, or analyzing the improvements lease” (emphases added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 181 recites the limitations “ A computer system, comprising: hardware and software designed to assist a tenant in entering an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease that is distinct from the improvements lease; a non-transitory memory storing data providing that the space lease and improvements lease are to be consolidated together as a single

lease for financial accounting; and a non-transitory memory storing data providing that, for financial accounting, the consolidated lease is to be treated as an operating lease under financial accounting rules or a true lease under tax accounting rules” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations.

Claim 182 recites the limitations “One or more non-transitory memories, having stored thereon computer programs and/or data to cause at least one computer to: process a payment on a lease for improvements to a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant’s cost of funds, the space being leased from a landlord to the tenant under a space lease, the improvements lease being distinct from the space lease, at least some portion of the programs and/or data reflecting a characteristic of the improvements lease or the interrelationship between the space and improvements leases” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 183 recites the limitations “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements

payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing, the lease of the improvements and the lease of the space lease being structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements” (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 193 recites the limitations “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease granting rights to use a shorter-lived asset to a lessee, the shorter-lived asset being functionally related to a longer-lived asset also leased to the lessee, financing or ownership of the shorter-lived asset being distinct from financing or ownership of the longer-lived asset, an amount of the payment payable by the lessee to a payee for the shorter-lived asset for lease of the shorter-lived asset being segregable from an amount payable by the lessee to a distinct payee for lease of the longer-lived asset, the segregation reflecting the distinct ownership or financing, the segregable payment stream directed to the shorter-lived asset having a present value at least equal to a cost of the

shorter-lived asset at a time of commencement of the lease covering the shorter-lived asset;" (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Claim 197 recites the limitations "processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing; financing for the tenant improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements" (emphasis added). However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations. There is no written description in the original disclosure to support the conclusion that the emphasized portions are performed/processed in a non-transitory memory of a computer.

Similar reasoning and logic apply to the dependent claims. Dependent claims are also rejected by way of dependency on a rejected independent claim.

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

6. Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are:

Claim 1 recites the steps of “processing data ...” and “computing data ...”. The essential steps relating these two steps to the other steps of the claim are missing in the claim.

7. Claims 1-27, 31-52, 56-181 and 183-205 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites “processing data in a non-transitory memory of a computer, the computation in furtherance of a lease”. The limitation “the computation” lacks antecedent basis because there is no step of computing recited in the previous step.

Independent claims 1, 2, 31, 56, 60, 74, 93, 102, 119, 130, 179, and 180 recite the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a (specific) lease”. Firstly it is not clear as to how data is computed in a non-transitory memory of a computer. Memory of a computer is used for storing data and not for computing. The process of computing data in a non-transitory memory of a computer has not been described in the original specification and hence it unclear as to how this is performed. Secondly the metes and bounds of “computing data” and “the computation in furtherance of a

(specific) lease” are unclear. Specifically it is not clear as to what data in furtherance of a (specific) lease is computed in a memory of the computer. Hence the scope of the claims are unclear.

Also claims 133, 140, 148, 154, 158, 161, 172 and 173 recite the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment”. Firstly it is not clear as to how data is computed in a non-transitory memory of a computer. Memory of a computer is used for storing data and not for computing. The process of computing data in a non-transitory memory of a computer has not been described in the original specification and hence it unclear as to how this is performed. Secondly the metes and bounds of “computing data” are unclear. Hence the scope of the claims are unclear.

Claim 181 recites the limitation “hardware and software designed to assist a tenant in entering an improvements lease”. Firstly, it is not clear what kind of assistance is provided to the tenant by the hardware and software. Secondly, it is not clear what the term “assist a tenant in entering an improvements lease” entails. The metes and bounds of this limitation are unclear. Thirdly, it is not clear as to what is the structural cooperative relationship between the hardware and software and the non-transitory memories storing data. Fourthly, it is not clear if the two non-transitory memories storing data are the same or different memories. In view of these ambiguities the scope of the claim is unclear.

Also claims 183, 193 and 197 recite the limitation “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease”. It is not clear as to how data is processed in a non-transitory memory of a computer. Memory of a computer is used for storing data and not for processing. The processing of data in a non-

transitory memory of a computer has not been described in the original specification and hence it unclear as to how this is performed. Hence the scope of the claims are unclear.

In view of these ambiguities identified above, the scopes of the claims are unclear. Appropriate correction is required. The dependent claims are rejected for the same reasons and also by way of dependency on a rejected independent claim.

The rejections below are interpreted in light of 35 USC 112, second paragraph rejections above.

Claim Rejections - 35 USC § 101

8. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

9. Claim 1-27, 31-52, 56-180, and 183-205 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

Claims 1-27, 31-52, 56-180, and 183-205 are rejected under 35 USC 101 because they are drawn to an abstract idea.

Based upon consideration of all of the relevant factors with respect to the claims as a whole, claims 1-27, 31-52, 56-180, and 183-205 are held to claim an abstract idea, and are therefore rejected as ineligible subject matter under 35 U.S.C. § 101. The rationale for this finding is explained below:

- Insufficient recitation of a machine or transformation.
- The computer is generically recited such that it covers any computer capable of performing the claimed step(s). There is nothing in the specification to suggest that the computer is a particular machine.

- The computer is merely an object on which the method operates.

For instance with respect to claim 1, the following the steps of: processing data in a non-transitory memory of a computer, the computation in furtherance of a lease of leasing a space from a landlord to a tenant under a space lease; computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, and receiving a rent payment from the tenant to the special purpose entity under the improvements lease do not have support in the original specification for machine implementation of these steps nor a qualifying transformation. In light of their broadest reasonable interpretation consistent with the specification, the above limitations thus encompass performance of the recited actions without a machine, e.g. mentally, verbally or by hand, and without any change of an article (physical object or substance) into a different state or thing. The other recitations in the claim are non-functional descriptive material because they have no material effect on how the steps of processing, computing and receiving are performed.

Further, in claim 1 a general concept is involved in executing the steps of the method, i.e. leasing space and improvements. Use of the concept, as expressed in the method, would cover both known and unknown uses of the concept in other fields. Note here that the steps of processing data, computing data, and receiving a rent payment from the tenant are merely the fundamental steps necessary to complete the performance of this general concept of leasing and thus would cover all applications or implementations of the general concept.

As a result, because claim 1 has a) no recitation of a machine or transformation and b) is a mere statement of a general concept as expressed in the method, the claim is directed to an abstract idea and is thus not patent eligible.

Similarly the methods of claims 2-27, 31-52, 56-180, and 183-205 do not qualify as a process under 35 USC 101. Dependent claims are rejected based on similar reasoning and by virtue of dependency on a rejected claim.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims 28-30, 53-55 and 181-203 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weatherly et al. (US Patent 6,049,784).

Claim 28, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See the entire disclosure of Weatherly particularly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12).

Weatherly does not explicitly disclose the feature of using a computer to to solicit proposals over the internet from tenants; and the feature of each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and

improvements lease are to be considered together as a single lease and classified as an operating lease.

Official notice is taken that using a computer to to solicit proposals over the Internet is old and well known. This feature helps a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet compared to a manual process. The other features not explicitly disclosed by Weatherly are interpreted as non-functional descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal. Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. In this claim there is no new and unobvious functional relationship between the descriptive material and the substrate.

It would have been obvious to one of ordinary skill in the art to include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly. The

motivation to combine is that it would help a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet. It is within the capabilities of one of ordinary skill in the art to include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly with the predicted result of helping a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet.

Claim 53, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See the entire disclosure of Weatherly particularly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12). Weatherly does not explicitly disclose the feature of using a computer to to solicit proposals over the internet from tenants; and the feature of each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease providing for lease of tenant improvements from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity to be consolidated with financial statements of the landlord, rent payments under the improvements lease to be fully tax deductible to the tenant.

Official notice is taken that using a computer to to solicit proposals over the Internet is old and well known. This feature helps a user solicit proposals in a timely and efficient manner

from a wide gamut of potential clients across the Internet compared to a manual process. The other features not explicitly disclosed by Weatherly are interpreted as non-functional descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal. Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. In this claim there is no new and unobvious functional relationship between the descriptive material and the substrate.

It would have been obvious to one of ordinary skill in the art include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly. The motivation to combine is that it would help a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet. It is within the capabilities of one of ordinary skill in the art to include the feature of using a computer to to solicit proposals over the Internet

to the invention of Weatherly with the predicted result of helping a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet.

Claims 29 and 54, Weatherly does not explicitly disclose the feature of the computer being further programmed to solicit offers of financing using an auction protocol.

However Official notice is taken that soliciting offers of financing using an auction protocol is old and well known in the art. The motivation to combine this feature is that it helps in facilitating numerous offers from several participants interested in making the offers. It is within the capabilities of one of ordinary skill in the art to include the feature of soliciting offers of financing using an auction protocol to the invention of Weatherly with the predicted result of facilitating numerous offers from several participants interested in making the offers.

Claims 30 and 55, Weatherly teaches the features of the computer being further programmed to store information on a plurality of loans between tenants and landlords, and to analyze the information (See the entire disclosure of Weatherly particularly Column 5 line 60 – Column 6 line 60).

Weatherly does not explicitly disclose the feature wherein the loan is a tenant improvement loan closed between tenant and landlord. However this feature is interpreted as as non-functional descriptive material as they do not materially affect the steps of storing information and analyzing the information. As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 181, Weatherly discloses a computer system, comprising: hardware and software designed to assist a tenant in entering a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29); and non-

transitory memories storing data (See the entire disclosure of Weatherly particularly Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29).

Weatherly does not explicitly teach the features where the lease is an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease that is distinct from the improvements lease; data providing that the space lease and improvements lease are to be consolidated together as a single lease for financial accounting; and data providing that, for financial accounting, the consolidated lease is to be treated as an operating lease under financial accounting rules or a true lease under tax accounting rules. However these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored respectively. The non-functional descriptive data does not materially affect the features of entering a lease and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 182, Weatherly discloses one or more non-transitory memories, having stored thereon computer programs and/or data to cause at least one computers to: process a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease for improvements to a space, financing for the improvements being provided by an entity other than a tenant of the space,

financing for the improvements being obtained at the tenant's cost of funds, the space being leased from a landlord to the tenant under a space lease, the improvements lease being distinct from the space lease, at least some portion of the programs and/or data reflecting a characteristic of the improvements lease or the interrelationship between the space and improvements leases. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 183, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing, the

lease of the improvements and the lease of the space lease being structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 184-192, the limitations in these claims are interpreted as non-functional descriptive data that describe the underlying contract, the payment being processed and the data being stored. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above

there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 193, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease granting rights to use a shorter-lived asset to a lessee, the shorter-lived asset being functionally related to a longer-lived asset also leased to the lessee, financing or ownership of the shorter-lived asset being distinct from financing or ownership of the longer-lived asset, an amount of the payment payable by the lessee to a payee for the Shorter-lived asset for lease of the shorter-lived asset being segregable from an amount payable by the lessee to a distinct payee for lease of the longer-lived asset, the segregation reflecting the distinct ownership or financing, the segregable payment stream directed to the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease covering the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new

and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 194-196, the limitations in these claims are interpreted as non-functional descriptive data that describe the underlying contract, the payment being processed and the data being stored. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 197, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for

lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing; financing for the tenant improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) a primary investor, secondary investor, or lender, who contributed capital to the improvements or to an entity owing the improvements. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 198-203, the limitations in these claims are interpreted as non-functional descriptive data that describe the underlying contract, the payment being processed and the data being stored. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579,

1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

12. Claims 1-205 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weatherly et al. (US Patent 6,049,784) in view of Sec. 14 of the Leahy-Smith America Invents Act (AIA).

Claim 1, the limitations “the improvements lease being a lease of tenant improvements to the space from a special purpose entity to the tenant under an improvements lease distinct from the space lease, the special purpose entity being a legal entity owned under tax accounting rules by a landlord of the space, the special purpose entity owning the improvements lease; development of the tenant improvements being financed by the special purpose entity, the special purpose entity being capitalized by: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity of at least about eighty percent of the value of the tenant improvements, the debt being non-recourse against the special purpose entity, the landlord and the improvements and being secured by an absolute obligation of the tenant; receiving a rent payment from the tenant to the special purpose entity under the improvements lease, the rent payments under the improvements lease having a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rule, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under

the improvements lease being fully tax deductible to the tenant” are features which act to reduce the tax liability by considering the space lease and improvements lease together as a single lease, classifying it as an operating lease under financial accounting rules or a true lease under tax accounting rule, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act (AIA). Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 1 from the prior art.

Claim 1, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the computation in furtherance of a lease of leasing a space from a landlord to a tenant under a space lease, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration; and the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly disclose the features of “the improvements lease being a lease of tenant improvements to the space from a special purpose entity to the tenant under an improvements lease distinct from the space lease, the special purpose entity being a legal entity owned under tax accounting rules by a landlord of the space, the special purpose entity owning the improvements lease; development of the tenant improvements being financed by the special

purpose entity, the special purpose entity being capitalized by: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity of at least about eighty percent of the value of the tenant improvements, the debt being non-recourse against the special purpose entity, the landlord and the improvements and being secured by an absolute obligation of the tenant; receiving a rent payment from the tenant to the special purpose entity under the improvements lease, the rent payments under the improvements lease having a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rule, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant”.

While Weatherly does not specifically teach the “the improvements lease being a lease of tenant improvements to the space from a special purpose entity to the tenant under an improvements lease distinct from the space lease, the special purpose entity being a legal entity owned under tax accounting rules by a landlord of the space, the special purpose entity owning the improvements lease; development of the tenant improvements being financed by the special purpose entity, the special purpose entity being capitalized by: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity of at least about eighty percent of the value of the tenant

improvements, the debt being non-recourse against the special purpose entity, the landlord and the improvements and being secured by an absolute obligation of the tenant; receiving a rent payment from the tenant to the special purpose entity under the improvements lease, the rent payments under the improvements lease having a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rule, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant" features identified above as tax strategy limitations, these limitations fail to distinguish the claims from the Weatherly reference, pursuant to Sec. 14 of the AIA. Thus, the differences between the claimed invention and the invention disclosed by the combination of Weatherly and Official notice are insufficient to differentiate the claimed invention, and claim 1 is therefore unpatentable under § 103.

Claim 2, Weatherly discloses a method comprising the steps of: leasing a space from a landlord to a tenant under a space lease, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration"; and computing data in a non-transitory memory of a computer, the computation in furtherance of a lease; the data processed in the non- transitory memory representing one or more of a group consisting of the landlord, the tenant, a special purpose

entity, a credit rating, a transaction date, a dollar amount, an investor or lender (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of an improvements lease, the improvements lease being a lease of improvements to the space to the tenant under an improvements lease that is distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations “an improvements lease, the improvements lease being a lease of improvements to the space to the tenant under an improvements lease that is distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 2 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 2 is therefore unpatentable under § 103.

Claims 3-27, 126-129, 204 and 205, Weatherly does not explicitly teach the features “wherein the improvements are leased from a special purpose entity, the landlord of the space

being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting, financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under a lease of the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein at least 3% of capitalization for the special purpose entity is a loan participation by the landlord; wherein at least 10% of capitalization for the special purpose entity is contributed by the landlord; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein a building in which the space is located is encumbered by a mortgage; and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein the improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein equity and/or debt investments by

the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are cross-collateralized; wherein: equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are not cross-collateralized; wherein the improvements being financed by debt issued by the special purpose entity, the debt being secured at least in part by a lien on the improvements; wherein the improvements being financed by debt issued by the special purpose entity, the debt not being secured by a lien on the improvements; wherein the special purpose entity is a limited liability company, grantor trust, business trust, corporation, limited partnership, or other business association; wherein the special purpose entity has no ownership interest in any real property that includes the space; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements being off-balance-sheet for the tenant, financing for the improvements being related to the cost of funds of the tenant; wherein financing for the improvements is provided by an entity other than the tenant; further comprising the step of entry by the tenant into an obligation to construct the improvements and to assume costs associated with the construction; wherein rent payments under the improvements lease are secured, in full or in part, by a personal or corporate guaranty or by a letter of credit of the tenant; wherein the tenant is the only tenant in a building in which the space is located; wherein the space is one of a plurality of spaces of a building divided for lease to a plurality of tenants, and the tenant is one of the plurality of tenants; wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the improvements from the special

purpose entity for a stipulated amount; wherein the portion of the lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering messages for transmission to or received from a potential lessor or lessee on a non-transitory network, or displaying data on a non-transitory display, the data providing a solicitation to enter the improvements lease; wherein the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering data for transmission to or received from a potential lessor or lessee over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease and reflecting origination of the improvements lease; wherein the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee or a servicer over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, or servicer under control of programs for managing or servicing the improvements lease; wherein the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee, investor or lender over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, investor or lender under control of programs for financial analysis of the improvements lease; wherein the improvements lease and the space lease arise in a lease document with distinct

lease covenants covering the space lease and the improvements lease; and wherein the improvements lease and the space lease arise in an amendment or restructuring of a preexisting lease agreement to which the tenant, space landlord, and improvements landlord are parties”.

However the limitations “wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting, financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under a lease of the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein at least 3% of capitalization for the special purpose entity is a loan participation by the landlord; wherein at least 10% of capitalization for the special purpose entity is contributed by the landlord; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein a building in which the space is located is encumbered by a mortgage; and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor

agreement, each waiving any interest in the other's collateral; wherein the improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are cross-collateralized; wherein: equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are not cross-collateralized; wherein the improvements being financed by debt issued by the special purpose entity, the debt being secured at least in part by a lien on the improvements; wherein the improvements being financed by debt issued by the special purpose entity, the debt not being secured by a lien on the improvements; wherein the special purpose entity is a limited liability company, grantor trust, business trust, corporation, limited partnership, or other business association; wherein the special purpose entity has no ownership interest in any real property that includes the space; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements being off-balance-sheet for the tenant, financing for the improvements being related to the cost of funds of the tenant; wherein financing for the improvements is provided by an entity other than the tenant; further comprising the step of entry by the tenant into an obligation to construct the improvements and to assume costs associated with the construction; wherein rent payments under the improvements lease are secured, in full or in part, by a personal or corporate guaranty or by a letter of credit of the

tenant; wherein the tenant is the only tenant in a building in which the space is located; wherein the space is one of a plurality of spaces of a building divided for lease to a plurality of tenants, and the tenant is one of the plurality of tenants; wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the improvements from the special purpose entity for a stipulated amount; wherein the portion of the lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering messages for transmission to or received from a potential lessor or lessee on a non-transitory network, or displaying data on a non-transitory display, the data providing a solicitation to enter the improvements lease; wherein the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering data for transmission to or received from a potential lessor or lessee over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease and reflecting origination of the improvements lease; wherein the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee or a servicer over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, or servicer under control of programs for managing or servicing the improvements lease; wherein the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee, investor or lender over a non-transitory network, or displaying data on a non-

transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, investor or lender under control of programs for financial analysis of the improvements lease; wherein the improvements lease and the space lease arise in a lease document with distinct lease covenants covering the space lease and the improvements lease; and wherein the improvements lease and the space lease arise in an amendment or restructuring of a preexisting lease agreement to which the tenant, space landlord, and improvements landlord are parties” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 3-27, 204 and 205 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 3-27, 204 and 205 are therefore unpatentable under § 103.

Claim 28, the limitations “each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease” are features which act to reduce the tax liability by considering the space lease and improvements lease together as a single lease and classifying it as an operating lease. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-

Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 28 from the prior art.

Weatherly teaches a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See the entire disclosure of Weatherly particularly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12).

Weatherly does not explicitly disclose the feature of using a computer to to solicit proposals over the internet from tenants; and the feature of each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease.

Official notice is taken that using a computer to to solicit proposals over the Internet is old and well known. This feature helps a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet compared to a manual process. It would have been obvious to one of ordinary skill in the art to include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly. The motivation to combine is that it would help a user solicit proposals in a timely and efficient manner from a

wide gamut of potential clients across the Internet. It is within the capabilities of one of ordinary skill in the art to include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly with the predicted result of helping a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet.

While Weatherly in combination with Official notice does not specifically teach the “each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease” features identified above as tax strategy limitations, these limitations fail to distinguish the claims from the Weatherly reference, pursuant to Sec. 14 of the AIA. Thus, the differences between the claimed invention and the invention disclosed by the combination of Weatherly and Official notice are insufficient to differentiate the claimed invention, and claim 28 is therefore unpatentable under § 103.

Claim 53, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See the entire disclosure of Weatherly particularly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12). Weatherly does not explicitly disclose the feature of using a computer to to solicit proposals over the internet from tenants; and the feature of each proposal offering terms for lease of tenant improvements to the

corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease providing for lease of tenant improvements from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity to be consolidated with financial statements of the landlord, rent payments under the improvements lease to be fully tax deductible to the tenant.

Official notice is taken that using a computer to to solicit proposals over the Internet is old and well known. This feature helps a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet compared to a manual process. It would have been obvious to one of ordinary skill in the art include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly. The motivation to combine is that it would help a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet. It is within the capabilities of one of ordinary skill in the art to include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly with the predicted result of helping a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet.

The limitations "each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease providing for lease of tenant improvements from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity to be consolidated with financial statements of the landlord, rent

payments under the improvements lease to be fully tax deductible to the tenant” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 53 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by the combination of Weatherly and Official notice are insufficient to differentiate the claimed invention, and claim 53 is therefore unpatentable under § 103.

Claims 29 and 54, Weatherly does not explicitly disclose the feature of the computer being further programmed to solicit offers of financing using an auction protocol.

However Official notice is taken that soliciting offers of financing using an auction protocol is old and well known in the art. The motivation to combine this feature is that it helps in facilitating numerous offers from several participants interested in making the offers. It is within the capabilities of one of ordinary skill in the art to include the feature of soliciting offers of financing using an auction protocol to the invention of Weatherly with the predicted result of facilitating numerous offers from several participants interested in making the offers.

Claims 30 and 55, Weatherly teaches the features of the computer being further programmed to store information on a plurality of loans between tenants and landlords, and to analyze the information (See the entire disclosure of Weatherly particularly Column 5 line 60 – Column 6 line 60).

Weatherly does not explicitly disclose the feature wherein the loan is a tenant improvement loan closed between tenant and landlord. However the limitations “wherein the

loan is a tenant improvement loan closed between tenant and landlord” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 30 and 55 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by the combination of Weatherly and Official notice are insufficient to differentiate the claimed invention, and claims 30 and 55 are therefore unpatentable under § 103.

Claim 31, Weatherly discloses a method comprising the steps of: leasing a space from a landlord to a tenant under a space lease, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”; and computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of an improvements lease, the improvements lease being a lease of improvements to the space from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant.

However the limitations “an improvements lease, the improvements lease being a lease of improvements to the space from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 31 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 31 is therefore unpatentable under § 103.

Claims 32- 52, Weatherly does not explicitly teach the features “wherein the improvements are financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under the improvements lease; rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements lease is structured together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of capitalizing the special purpose entity by participations comprising: (a) an equity investment by the landlord of at least

three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein at least 10% of capitalization for the special purpose entity is contributed by the landlord; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord and tenant, and the landlord owns a participation in the loan made to the special purpose entity; wherein a building in which the space is located is encumbered by a mortgage; and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein the improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are cross-collateralized; wherein equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are not cross-collateralized; wherein the special purpose entity is a limited liability company, grantor trust, business trust, corporation, limited partnership, or other business association; wherein the special purpose entity has no ownership interest in any real property that includes the space; the improvements being off-balance-sheet for the tenant, financing for the improvements being related to the cost of funds of the tenant; wherein

financing for the improvements is provided by an entity other than the tenant; further comprising the step of entry by the tenant into an obligation to construct the improvements and to assume costs associated with the construction; wherein rent payments under the improvements lease are secured, in full or in part, by a personal or corporate guaranty or by a letter of credit of the tenant; wherein the tenant is the only tenant in a building in which the space is located; wherein the space is one of a plurality of spaces of a building divided for lease to a plurality of tenants, and the tenant is one of the plurality of tenants; wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the improvements from the special purpose entity for a stipulated amount”.

However the limitations “wherein the improvements are financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under the improvements lease; rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements lease is structured together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of capitalizing the special purpose entity by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of

the tenant; wherein at least 10% of capitalization for the special purpose entity is contributed by the landlord; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord and tenant, and the landlord owns a participation in the loan made to the special purpose entity; wherein a building in which the space is located is encumbered by a mortgage; and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein the improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are cross-collateralized; wherein equity and/or debt investments by the landlord in a plurality of special purpose entities owned by the landlord, each special purpose entity owning improvements for lease to a corresponding tenant, are not cross-collateralized; wherein the special purpose entity is a limited liability company, grantor trust, business trust, corporation, limited partnership, or other business association; wherein the special purpose entity has no ownership interest in any real property that includes the space; the improvements being off-balance-sheet for the tenant, financing for the improvements being related to the cost of funds of the tenant; wherein financing for the improvements is provided by an entity other than the tenant; further comprising the step of entry by the tenant into an obligation to construct the improvements and to assume costs associated with the construction; wherein rent payments under the improvements lease are secured, in full or in part, by a personal

or corporate guaranty or by a letter of credit of the tenant; wherein the tenant is the only tenant in a building in which the space is located; wherein the space is one of a plurality of spaces of a building divided for lease to a plurality of tenants, and the tenant is one of the plurality of tenants; wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the improvements from the special purpose entity for a stipulated amount” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 32-52 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 32-52 are therefore unpatentable under § 103.

Claim 56, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of the lease being a lease of an interest in real estate from a special purpose entity to a tenant, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”, the special purpose entity being a legal entity owned by a landlord of the real estate that includes the leased interest, the special purpose entity owning the lease of the leased interest, development of an asset underlying the leased interest being financed

by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the asset.

However the limitations “the lease being a lease of an interest in real estate from a special purpose entity to a tenant, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”, the special purpose entity being a legal entity owned by a landlord of the real estate that includes the leased interest, the special purpose entity owning the lease of the leased interest, development of an asset underlying the leased interest being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the asset” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 56 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 56 is therefore unpatentable under § 103.

Claims 57-59, Weatherly does not explicitly teach the features “wherein the interest leased is an interest in a shorter-lived asset, and further comprising the step of leasing a longer-lived asset to the tenant, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease

to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of: leasing tenant improvements within a space from the special purpose entity to the tenant under the lease of claim 56, the special purpose entity being a legal entity owned, or leased the tenant improvements, by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the debt is secured by a triple-net absolute rent obligation of the tenant under a lease of the improvements”.

However the limitations “wherein the interest leased is an interest in a shorter-lived asset, and further comprising the step of leasing a longer-lived asset to the tenant, rent payments under the lease of the shorter- lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of: leasing tenant improvements within a space from the special purpose entity to the tenant under the lease of claim 56, the special purpose entity being a legal entity owned, or leased the tenant improvements, by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and

(b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the debt is secured by a triple-net absolute rent obligation of the tenant under a lease of the improvements” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 57-59 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 57-59 are therefore unpatentable under § 103.

Claim 60, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation in furtherance of two leases (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of the leases being a lease of leasing a longer-lived asset and a lease of a shorter-lived asset to a lessee under two separate leases, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived

asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations “the leases being a lease of leasing a longer-lived asset and a lease of a shorter-lived asset to a lessee under two separate leases, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 60 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 60 is therefore unpatentable under § 103.

Claims 61-73, Weatherly does not explicitly teach the features “wherein the longer-lived asset is a space in a building; and the shorter-lived asset is tenant improvements to the space;

wherein the tenant improvements are owned by a special purpose entity, being a legal entity owned by a landlord of the space; further comprising the steps of capitalizing the special purpose entity by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein rent payments under the improvements lease are fully tax deductible to the lessee; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the building is divided for lease to multiple lessees; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the lessee; wherein the tenant improvements have been constructed and are owned by the landlord, the lessee, or jointly by landlord and lessee; and further comprising the step of conveying or leasing the tenant improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein the landlord owns a plurality of special purpose entities, each owning tenant improvements for lease to a lessee; wherein the special purpose entity has no ownership interest in any real property that includes the space; the tenant improvements being off-balance-sheet for the lessee, financing for the improvements being related to the cost of funds of the lessee; further comprising the step of entry by the lessee into an obligation to construct the tenant improvements and to assume costs associated with the construction; and wherein upon an event of default under the improvements

lease, the lessee is obligated to purchase the improvements from the special purpose entity for a stipulated amount”.

However the limitations “wherein the longer-lived asset is a space in a building; and the shorter-lived asset is tenant improvements to the space; wherein the tenant improvements are owned by a special purpose entity, being a legal entity owned by a landlord of the space; further comprising the steps of capitalizing the special purpose entity by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein rent payments under the improvements lease are fully tax deductible to the lessee; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the building is divided for lease to multiple lessees; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the lessee; wherein the tenant improvements have been constructed and are owned by the landlord, the lessee, or jointly by landlord and lessee; and further comprising the step of conveying or leasing the tenant improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein the landlord owns a plurality of special purpose entities, each owning tenant improvements for lease to a lessee; wherein the special purpose entity has no ownership interest in any real property that includes the space; the tenant improvements being off-balance-sheet for the lessee, financing for the improvements being related to the cost of funds

of the lessee; further comprising the step of entry by the lessee into an obligation to construct the tenant improvements and to assume costs associated with the construction; and wherein upon an event of default under the improvements lease, the lessee is obligated to purchase the improvements from the special purpose entity for a stipulated amount” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 61-73 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 61-73 are therefore unpatentable under § 103.

Claim 74, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”, the special purpose entity being a legal entity owned by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of

at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements.

However the limitations “an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration”, the special purpose entity being a legal entity owned by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 74 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 74 is therefore unpatentable under § 103.

Claims 75-92, Weatherly does not explicitly teach the features “wherein the building is divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein at least 3% of capitalization for the specialpurpose entity is a loan participation by the landlord; wherein a building inwhich the space is located is encumbered

by a mortgage; and and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein financial statements of the special purpose entity are consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the tenant improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the tenant improvements; wherein the debt is secured by a triple-net absolute rent obligation of the tenant under a lease of the tenant improvements; wherein the tenant improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the tenant improvements to the Special purpose entity before or concurrently with entry into the improvements lease; wherein the tenant improvements being financed by debt issued by the special purpose entity, the debt not being secured by a lien on the tenant improvements; wherein the special purpose entity is a limited liability company or limited partnership; wherein the special purpose entity is a grantor trust or business trust; wherein the special purpose entity is a corporation; wherein the special purpose entity has no ownership interest in any real property that includes the space; the tenant improvements being off-balance-sheet for the tenant, financing for the tenant improvements being related to the cost of funds of the tenant; wherein financing for the tenant improvements is provided by an entity other than the tenant; wherein the tenant is the only tenant in a building in which the space is located; wherein the space is one of a plurality of spaces of a building divided for lease to a plurality of tenants, and the tenant is one of the plurality of tenants; and wherein upon an event of default under the improvements lease, the

tenant is obligated to purchase the tenant improvements from the special purpose entity for a stipulated amount”.

However the limitations “wherein the building is divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein at least 3% of capitalization for the specialpurpose entity is a loan participation by the landlord; wherein a building inwhich the space is located is encumbered by a mortgage; and and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein financial statements of the special purpose entity are consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the tenant improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the tenant improvements; wherein the debt is secured by a triple-net absolute rent obligation of the tenant under a lease of the tenant improvements; wherein the tenant improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the tenant improvements to the Special purpose entity before or concurrently with entry into the improvements lease; wherein the tenant improvements being financed by debt issued by the special purpose entity, the debt not being secured by a lien on the tenant improvements; wherein the special purpose entity is a limited liability company or limited partnership; wherein the special purpose entity is a grantor trust or business trust; wherein the special purpose entity is a corporation; wherein the special purpose

entity has no ownership interest in any real property that includes the space; the tenant improvements being off-balance-sheet for the tenant, financing for the tenant improvements being related to the cost of funds of the tenant; wherein financing for the tenant improvements is provided by an entity other than the tenant; wherein the tenant is the only tenant in a building in which the space is located; wherein the space is one of a plurality of spaces of a building divided for lease to a plurality of tenants, and the tenant is one of the plurality of tenants; and wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the tenant improvements from the special purpose entity for a stipulated amount” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 75-92 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 75-92 are therefore unpatentable under § 103.

Claim 93, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of the lease being a lease of an interest in a space from a special purpose entity to a tenant, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation

to pay rent or other consideration", the special purpose entity being a legal entity owned by a landlord of the building including the space, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant.

However the limitations "the lease being a lease of an interest in a space from a special purpose entity to a tenant, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration", the special purpose entity being a legal entity owned by a landlord of the building including the space, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 93 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 93 is therefore unpatentable under § 103.

Claims 94-101, Weatherly does not explicitly teach the features "wherein the interest is a possessory interest in improvements to the space, the space being leased to the tenant under a separate lease, rent payments under the improvements lease having a present value at least equal to a cost of the improvements at a time of commencement of the improvements lease; further

comprising the step of: structuring the improvements lease together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; wherein at least 3% of capitalization for the special purpose entity is a loan participation by the landlord; wherein at least 10% of capitalization for the special purpose entity is contributed by the landlord; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein the improvements are financed by debt issued by the special purpose entity, the debt not being secured by a lien on the improvements; wherein the special purpose entity is a limited liability company, grantor trust, business trust, corporation, limited partnership, or other business association; and wherein financing for the improvements is provided by an entity other than the tenant”.

However the limitations “wherein the interest is a possessory interest in improvements to the space, the space being leased to the tenant under a separate lease, rent payments under the improvements lease having a present value at least equal to a cost of the improvements at a time of commencement of the improvements lease; further comprising the step of: structuring the improvements lease together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; wherein at least 3% of capitalization for the special purpose entity is a loan participation by the landlord; wherein at least 10% of capitalization for the special purpose entity is contributed by the landlord; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord,

and the landlord owns a participation in the loan made to the special purpose entity; wherein the improvements are financed by debt issued by the special purpose entity, the debt not being secured by a lien on the improvements; wherein the special purpose entity is a limited liability company, grantor trust, business trust, corporation, limited partnership, or other business association; and wherein financing for the improvements is provided by an entity other than the tenant” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 94-101 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 94-101 are therefore unpatentable under § 103.

Claim 102, Weatherly discloses a method comprising the steps of: leasing a space from a landlord to the tenant under a space lease, the verb “leasing” meaning “granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration; and computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds; leasing the space from a landlord to

the tenant under a space lease, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration"; and an improvements lease, the improvements lease being a lease of the improvements to the tenant under an improvements lease distinct from the space lease.

However the limitations "improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds; leasing the space from a landlord to the tenant under a space lease, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration"; and an improvements lease, the improvements lease being a lease of the improvements to the tenant under an improvements lease distinct from the space lease" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 102 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 102 is therefore unpatentable under § 103.

Claims 103-118, Weatherly does not explicitly teach the features "wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner

of, or lessor of the tenam improvements to, the special purpose entity under tax accounting; financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under a lease of the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein a building in which the space is located is encumbered by a mortgage; and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein the improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein the improvements being financed by debt issued by the special purpose entity, the debt being secured at least in part by a lien on the improvements; wherein upon an event of default under the improvements lease, the tenant assumes an obligation to

purchase the improvements from the special purpose entity for a stipulated amount; wherein the improvements lease is structured together with the space lease to support an accounting conclusion that the improvements lease is to be classified as an operating lease; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements being off- balance-sheet for the tenant; further comprising the step of entry by the tenant into an obligation to construct the improvements and to assume costs associated with the construction; and wherein rent payments under the improvements lease are secured, in full or in part, by a personal or corporate guaranty or by a letter of credit of the tenant”.

However the limitations “wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner of, or lessor of the tenam improvements to, the special purpose entity under tax accounting; financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under a lease of the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein a majority of the loan to the special purpose

entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein a building in which the space is located is encumbered by a mortgage; and further comprising the step of, entry by the lender to the special purpose entity and a mortgagee of the mortgage into an inter-creditor agreement, each waiving any interest in the other's collateral; wherein the improvements have been constructed and are owned by the landlord, the tenant or jointly by landlord and tenant; and further comprising the step of conveying or leasing the improvements to the special purpose entity before or concurrently with entry into the improvements lease; wherein the improvements being financed by debt issued by the special purpose entity, the debt being secured at least in part by a lien on the improvements; wherein upon an event of default under the improvements lease, the tenant assumes an obligation to purchase the improvements from the special purpose entity for a stipulated amount; wherein the improvements lease is structured together with the space lease to support an accounting conclusion that the improvements lease is to be classified as an operating lease; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; the improvements being off- balance-sheet for the tenant; further comprising the step of entry by the tenant into an obligation to construct the improvements and to assume costs associated with the construction; and wherein rent payments under the improvements lease are secured, in full or in part, by a personal or corporate guaranty or by a letter of credit of the tenant” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated

as being within the prior art and are insufficient to differentiate the invention of claims 103-118 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 103-118 are therefore unpatentable under § 103.

Claim 119, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation in furtherance of a lease; and the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the asset (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of the lease being a lease of an interest in real estate from a special purpose entity to a tenant, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration", the special purpose entity being a legal entity distinct from a landlord of the real estate that includes the leased interest, the landlord having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the lease, the special purpose entity owning the lease of the leased interest, development of an asset underlying the leased interest being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the asset.

However the limitations "the lease being a lease of an interest in real estate from a special purpose entity to a tenant, the verb "leasing" meaning "granting to another, or receiving a grant

of from another, or taking hold of by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration", the special purpose entity being a legal entity distinct from a landlord of the real estate that includes the leased interest, the landlord having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the lease, the special purpose entity owning the lease of the leased interest, development of an asset underlying the leased interest being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the asset" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 119 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 119 is therefore unpatentable under § 103.

Claims 120-125, Weatherly does not explicitly teach the features "further comprising the steps of leasing a space from the landlord to the tenant under a space lease; leasing improvements to the Space from the special purpose entity to the tenant under the lease, being an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the steps of leasing a space from the landlord to the tenant under a space lease;

leasing improvements to the space from a special purpose entity to the tenant under the lease, being an improvements lease distinct from the space lease, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant; wherein the interest leased is an interest in a shorter-lived asset, and further comprising the step of leasing a longer-lived asset to the tenant, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of leasing tenant improvements within a space from a special purpose entity to a tenant under the lease, the special purpose entity being a legal entity owned, or leased the tenant improvements, by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the special purpose entity is a legal entity owned by a landlord of a building, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant; and further comprising the steps of improving a space, financing for the improvements being provided by an

entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; leasing the space from the landlord to the tenant under a space lease; and leasing the improvements to the tenant under the lease, being an improvements lease distinct from the space lease”.

However the limitations “further comprising the steps of leasing a space from the landlord to the tenant under a space lease; leasing improvements to the Space from the special purpose entity to the tenant under the lease, being an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the steps of leasing a space from the landlord to the tenant under a space lease; leasing improvements to the space from a special purpose entity to the tenant under the lease, being an improvements lease distinct from the space lease, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant; wherein the interest leased is an interest in a shorter-lived asset, and further comprising the step of leasing a longer-lived asset to the tenant, rent payments under the lease of the shorter- lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a

single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of leasing tenant improvements within a space from a special purpose entity to a tenant under the lease, the special purpose entity being a legal entity owned, or leased the tenant improvements, by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the special purpose entity is a legal entity owned by a landlord of a building, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant; and further comprising the steps of improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; leasing the space from the landlord to the tenant under a space lease; and leasing the improvements to the tenant under the lease, being an improvements lease distinct from the space lease" are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 120-125 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 120-125 are therefore unpatentable under § 103.

Claim 130, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation in furtherance of a lease; and the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the tenant improvements (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant under a tenant improvements lease, the landlord of the space having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the tenant improvements lease, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements.

However the limitations "an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant under a tenant improvements lease, the landlord of the space having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the tenant improvements lease, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements" are features which act to reduce the tax liability. These features therefore recite a

strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 130 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 130 is therefore unpatentable under § 103.

Claims 131-132, Weatherly does not explicitly teach the features "wherein the building is divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; and wherein at least 3% of capitalization for the special purpose entity is a loan participation by the landlord".

However the limitations "wherein the building is divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; and wherein at least 3% of capitalization for the special purpose entity is a loan participation by the landlord" are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 131-132 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 131-132 are therefore unpatentable under § 103.

Claim 133, Weatherly discloses a method comprising the steps of: receiving a rent payment under a lease of a space from a landlord to a tenant under a space lease; computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; and the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the improvements (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a rent payment under a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations “a rent payment under a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being

within the prior art and are insufficient to differentiate the invention of claim 133 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 133 is therefore unpatentable under § 103.

Claims 134-139, Weatherly does not explicitly teach the features “wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting, financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease”.

However the limitations “wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting, financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the

improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 134-139 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 134-139 are therefore unpatentable under § 103.

Claim 140, Weatherly discloses a method comprising the steps of: receiving a rent payment under a lease of a space to a tenant; and computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; and data processed by a computer representing one or more of a group consisting of the landlord, the

tenant, a dollar amount of a transaction, and an investor or lender (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a rent payment under a lease of improvements to the space from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant.

However the limitations “a rent payment under a lease of improvements to the space from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 140 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 140 is therefore unpatentable under § 103.

Claims 141-147, Weatherly does not explicitly teach the features “wherein the improvements are financed by debt issued by the special purpose entity, the debt being non-

recourse against the special purpose entity, the landlord and the improvements; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; wherein the improvements lease is structured together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of capitalizing the special purpose entity by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein the special purpose entity has no ownership interest in any real property that includes the space; and wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the improvements from the special purpose entity for a stipulated amount”.

However the limitations “wherein the improvements are financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease; wherein the improvements lease is structured together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax

accounting rules; further comprising the step of capitalizing the special purpose entity by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein the special purpose entity has no ownership interest in any real property that includes the space; and wherein upon an event of default under the improvements lease, the tenant is obligated to purchase the improvements from the special purpose entity for a stipulated amount” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 141-147 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 141-147 are therefore unpatentable under § 103.

Claim 148, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; and data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a rent payment under leases of a longer-lived asset and a shorter-lived asset to a lessee under two separate leases, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations “a rent payment under leases of a longer-lived asset and a shorter-lived asset to a lessee under two separate leases, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 148 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 148 is therefore unpatentable under § 103.

Claims 149-153, Weatherly does not explicitly teach the features “wherein the longer-lived asset is a space in a building; and the shorter-lived asset is tenant improvements to the space; further comprising the steps of capitalizing a special purpose entity, being a legal entity owned by a landlord of the space, by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the lessee; wherein rent payments under the lease to the shorter-lived asset are fully tax deductible to the lessee; and wherein the longer-lived asset is space in a building divided for lease to multiple lessees”.

However the limitations “wherein the longer-lived asset is a space in a building; and the shorter-lived asset is tenant improvements to the space; further comprising the steps of capitalizing a special purpose entity, being a legal entity owned by a landlord of the space, by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the lessee; wherein rent payments under the lease to the shorter-lived asset are fully tax deductible to the lessee; and wherein the longer-lived asset is space in a building divided for lease to multiple lessees” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America

Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 149-153 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 149-153 are therefore unpatentable under § 103.

Claim 154, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; data processed by the computer representing one or more of a group consisting of (a) the landlord, (b) the tenant, (c) a dollar amount of a transaction, and (d) an investor or lender (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a rent payment under a lease of tenant improvements within a space from a special purpose entity to a tenant, the landlord having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the tenant improvements lease, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvement and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements.

However the limitations "a rent payment under a lease of tenant improvements within a space from a special purpose entity to a tenant, the landlord having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the tenant improvements lease, the special purpose entity being capitalized by participations comprising:

(a) an equity investment by the landlord of at least three percent of the value of the tenant improvement and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 154 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 154 is therefore unpatentable under § 103.

Claims 155-157, Weatherly does not explicitly teach the features “wherein the building is divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein rent payments under the tenant improvements lease are fully tax deductible to the tenant; and wherein the tenant improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the tenant improvements”.

However the limitations “wherein the building is divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein rent payments under the tenant improvements lease are fully tax deductible to the tenant; and wherein the tenant improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the tenant improvements” are further

refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 155-157 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 155-157 are therefore unpatentable under § 103.

Claim 158, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; and data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a rent payment under a lease of an interest in a space from a special purpose entity to a tenant, the special purpose entity being a legal entity owned by a landlord of the building including the space, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant.

However the limitations “a rent payment under a lease of an interest in a space from a special purpose entity to a tenant, the special purpose entity being a legal entity owned by a landlord of the building including the space, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the

special purpose entity secured by an absolute obligation of the tenant” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 158 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 158 is therefore unpatentable under § 103.

Claims 159-160, Weatherly does not explicitly teach the features “wherein the interest is a possessory interest in improvements to the space, the space being leased to the tenant under a separate lease, rent payments under the improvements lease having a present value at least equal to a cost of the improvements at a time of commencement of the improvements lease; further comprising the step of structuring the improvements lease together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules”.

However the limitations “wherein the interest is a possessory interest in improvements to the space, the space being leased to the tenant under a separate lease, rent payments under the improvements lease having a present value at least equal to a cost of the improvements at a time of commencement of the improvements lease; further comprising the step of structuring the improvements lease together with the space lease to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under

financial accounting rules or a true lease under tax accounting rules” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 159-160 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 159-160 are therefore unpatentable under § 103.

Claim 161, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; and data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds; receiving a rent payment under a lease of the space from a landlord to the tenant under a space lease; and computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of the improvements to the tenant under an improvements lease distinct from the space lease.

However the limitations “improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant’s cost of funds; receiving a rent payment under a lease of the space from a landlord to the tenant under a space lease; and computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of the improvements to the tenant under an improvements lease distinct from the space lease” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 161 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 161 is therefore unpatentable under § 103.

Claims 162-171, Weatherly does not explicitly teach the features “wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting, financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under a lease of the improvements; wherein the special purpose entity is capitalized by participations comprising: (a)

an equity investment by the landlord of at least three percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein the improvements being financed by debt issued by the special purpose entity, the debt being secured at least in part by a lien on the improvements; wherein the improvements lease is structured together with the space lease to support an accounting conclusion that the improvements lease is to be classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; and wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease”.

However the limitations “wherein the improvements are leased from a special purpose entity, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting, financial statements of the special purpose entity being consolidated with financial statements of the landlord; wherein rent payments under the improvements lease are fully tax deductible to the tenant; wherein the improvements being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; wherein the debt is secured by a rent obligation of the tenant under a lease of the improvements; wherein the special purpose entity is capitalized by participations comprising: (a) an equity investment by the landlord of at least three

percent of the value of the improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the improvements; wherein at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; wherein a majority of the loan to the special purpose entity is supplied by a party other than the landlord, and the landlord owns a participation in the loan made to the special purpose entity; wherein the improvements being financed by debt issued by the special purpose entity, the debt being secured at least in part by a lien on the improvements; wherein the improvements lease is structured together with the space lease to support an accounting conclusion that the improvements lease is to be classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; and wherein rent payments under the improvements lease have a present value at least equal to a value of the improvements at a time of commencement of the improvements lease” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 162-171 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 162-171 are therefore unpatentable under § 103.

Claim 172, Weatherly discloses a method comprising the steps of: computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment; and data processed by the computer representing one or more of a group

consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a rent payment under a lease of an interest in real estate from a special purpose entity to a tenant, the special purpose entity being a legal entity distinct from a landlord of the real estate that includes the leased interest, the landlord having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the lease, the special purpose entity owning the lease of the leased interest, development of an asset underlying the leased interest being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the asset.

However the limitations "a rent payment under a lease of an interest in real estate from a special purpose entity to a tenant, the special purpose entity being a legal entity distinct from a landlord of the real estate that includes the leased interest, the landlord having sufficient ownership in the special purpose entity to establish the landlord's genuine economic risk in the lease, the special purpose entity owning the lease of the leased interest, development of an asset underlying the leased interest being financed by debt issued by the special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the asset" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 172 from the prior

art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 172 is therefore unpatentable under § 103.

Claims 173-178, Weatherly does not explicitly teach the features “further comprising the steps of: receiving a rent payment under a lease of a space from the landlord to the tenant under a space lease; computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space from the special purpose entity to the tenant under the lease of claim 172, being an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease; further comprising the steps of receiving a rent payment under a lease of a space from the landlord to the tenant under a space lease; receiving a rent payment under a lease of improvements to the space from a special purpose entity to the tenant under the lease of claim 172, being an improvements lease distinct from the space lease, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant; wherein the interest leased is an interest in a shorter-lived asset, and further comprising the step of: receiving a rent payment under a lease of a longer-lived asset to the tenant, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-

lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of: receiving a rent payment under a lease of tenant improvements within a space from a special purpose entity to a tenant under the lease of claim 172, the special purpose entity being a legal entity owned, or leased the tenant improvements, by a landlord of the space, the special purpose entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the special purpose entity is a legal entity owned by a landlord of a building, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant; further comprising the steps of improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds; receiving a rent payment under a lease of the space from the landlord to the tenant under a space lease; and receiving a rent payment under a lease of the improvements to the tenant under the lease of claim 172, being an improvements lease distinct from the space lease”.

However the limitations “further comprising the steps of: receiving a rent payment under a lease of a space from the landlord to the tenant under a space lease; computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a

rent payment under a lease of improvements to the space from the special purpose entity to the tenant under the lease of claim 172, being an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease; further comprising the steps of receiving a rent payment under a lease of a space from the landlord to the tenant under a space lease; receiving a rent payment under a lease of improvements to the space from a special purpose entity to the tenant under the lease of claim 172, being an improvements lease distinct from the space lease, the landlord of the space being the owner of, or lessor of the improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity being consolidated with financial statements of the landlord, rent payments under the improvements lease being fully tax deductible to the tenant; wherein the interest leased is an interest in a shorter-lived asset, and further comprising the step of: receiving a rent payment under a lease of a longer-lived asset to the tenant, rent payments under the lease of the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease of the shorter-lived asset; the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; further comprising the step of: receiving a rent payment under a lease of tenant improvements within a space from a special purpose entity to a tenant under the lease of claim 172, the special purpose entity being a legal entity owned, or leased the tenant improvements, by a landlord of the space, the special purpose

entity being capitalized by participations comprising: (a) an equity investment by the landlord of at least three percent of the value of the tenant improvements and (b) debt issued by the special purpose entity for at least about eighty percent of the value of the tenant improvements; wherein the special purpose entity is a legal entity owned by a landlord of a building, the building being divided for lease to multiple tenants, at least about 80% of the capitalization of the special purpose entity being a loan to the special purpose entity secured by an absolute obligation of the tenant; further comprising the steps of improving a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds; receiving a rent payment under a lease of the space from the landlord to the tenant under a space lease; and receiving a rent payment under a lease of the improvements to the tenant under the lease of claim 172, being an improvements lease distinct from the space lease" are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 173-178 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 173-178 are therefore unpatentable under § 103.

Claim 179, Weatherly discloses a method comprising the steps of: leasing a space from a landlord to a tenant under a space lease, the verb "leasing" meaning "granting to another, or receiving a grant of from another, or taking hold of or holding by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation

to pay rent or other consideration"; computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease of improvements to the space to the tenant under an improvements lease that is [a] distinct from the space lease and [b] structured together with the space lease to support an accounting conclusion that [b][1] the space lease and improvements lease are to be considered together as a single lease and [b][2] classified as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations "a lease of improvements to the space to the tenant under an improvements lease that is [a] distinct from the space lease and [b] structured together with the space lease to support an accounting conclusion that [b][1] the space lease and improvements lease are to be considered together as a single lease and [b][2] classified as an operating lease under financial accounting rules or a true lease under tax accounting rules" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 179 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 179 is therefore unpatentable under § 103.

Claim 180, Weatherly discloses a method comprising the steps of: leasing a space from a landlord to a tenant under a space lease, the verb "leasing" meaning "granting to another, or

receiving a grant of from another, or taking hold of or holding by a lease from another, the possession and use of real or personal property, in return for present payment of or an obligation to pay rent or other consideration"; computing data in a non-transitory memory of a computer, the computation in furtherance of a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease; the improvements lease and the space lease being consolidated together as a single operating lease under financial, accounting rules or a true lease under tax accounting rules, said computing data comprising soliciting, originating, managing, or analyzing the improvements lease.

However the limitations "a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease; the improvements lease and the space lease being consolidated together as a single operating lease under financial, accounting rules or a true lease under tax accounting rules, said computing data comprising soliciting, originating, managing, or analyzing the improvements lease" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 180 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 180 is therefore unpatentable under § 103.

Claim 181, Weatherly discloses a computer system, comprising: hardware and software designed to assist a tenant in entering a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29); and non-transitory memories storing data (See the entire disclosure of Weatherly particularly Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29).

Weatherly does not explicitly teach the features where the lease is an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease that is distinct from the improvements lease; data providing that the space lease and improvements lease are to be consolidated together as a single lease for financial accounting; and data providing that, for financial accounting, the consolidated lease is to be treated as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations “where the lease is an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease that is distinct from the improvements lease; data providing that the space lease and improvements lease are to be consolidated together as a single lease for financial accounting; and data providing that, for financial accounting, the consolidated lease is to be treated as an operating lease under financial accounting rules or a true lease under tax accounting rules” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 181 from the

prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 181 is therefore unpatentable under § 103.

Claim 182, Weatherly discloses one or more non-transitory memories, having stored thereon computer programs and/or data to cause at least one computers to: process a payment on a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29, and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease for improvements to a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds, the space being leased from a landlord to the tenant under a space lease, the improvements lease being distinct from the space lease, at least some portion of the programs and/or data reflecting a characteristic of the improvements lease or the interrelationship between the space and improvements leases.

However the limitations “a lease for improvements to a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds, the space being leased from a landlord to the tenant under a space lease, the improvements lease being distinct from the space lease, at least some portion of the programs and/or data reflecting a characteristic of the improvements lease or the interrelationship between the space and improvements leases” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art

and are insufficient to differentiate the invention of claim 182 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 182 is therefore unpatentable under § 103.

Claim 183, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing, the lease of the improvements and the lease of the space lease being structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements.

However the limitations “a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing, the lease of the improvements and the lease of the space lease being structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements” are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 183 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 183 is therefore unpatentable under § 103.

Claims 184-192, Weatherly does not explicitly teach the features “wherein the segregable amounts paid for lease of the tenant improvements are fully tax deductible to the tenant; the tenant improvements were financed by debt issued by a special purpose entity, the debt being

non-recourse against the special purpose entity, the landlord and the improvements; the debt is secured by a lien on the segregable payments for lease of the tenant improvements; at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; the present value of segregable amounts paid for lease of the tenant improvements are at least equal to a value of the tenant improvements at a time of commencement of the lease of the tenant improvements; financing for the tenant improvements was provided by an entity other than the tenant of the space, the tenant improvements financing being obtained at the tenant's cost of funds; wherein the lease of the tenant improvements and the lease of the space arise in a lease document with distinct lease covenants covering the space lease and the tenant improvements lease; wherein the lease of the tenant improvements and the lease of the space arise in an amendment or restructuring of a preexisting lease agreement; and the segregable amount of the payment payable to a tenant improvements payee being paid into a payment distribution agent for distribution of segregable amounts to appropriate payees".

However the limitations "wherein the segregable amounts paid for lease of the tenant improvements are fully tax deductible to the tenant; the tenant improvements were financed by debt issued by a special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; the debt is secured by a lien on the segregable payments for lease of the tenant improvements; at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; the present value of segregable amounts paid for lease of the tenant improvements are at least equal to a value of the tenant improvements at a time of

commencement of the lease of the tenant improvements; financing for the tenant improvements was provided by an entity other than the tenant of the space, the tenant improvements financing being obtained at the tenant's cost of funds; wherein the lease of the tenant improvements and the lease of the space arise in a lease document with distinct lease covenants covering the space lease and the tenant improvements lease; wherein the lease of the tenant improvements and the lease of the space arise in an amendment or restructuring of a preexisting lease agreement; and the segregable amount of the payment payable to a tenant improvements payee being paid into a payment distribution agent for distribution of segregable amounts to appropriate payees" are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claims 184-192 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 184-192 are therefore unpatentable under § 103.

Claim 193, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease granting rights to use a shorter-lived asset to a lessee, the shorter-lived asset being functionally related to a longer-lived asset also leased to the lessee, financing or ownership of the shorter-lived asset being distinct from

financing or ownership of the longer-lived asset, an amount of the payment payable by the lessee to a payee for the Shorter-lived asset for lease of the shorter-lived asset being segregable from an amount payable by the lessee to a distinct payee for lease of the longer-lived asset, the segregation reflecting the distinct ownership or financing, the segregable payment stream directed to the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease covering the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules.

However the limitations “a lease granting rights to use a shorter-lived asset to a lessee, the shorter-lived asset being functionally related to a longer-lived asset also leased to the lessee, financing or ownership of the shorter-lived asset being distinct from financing or ownership of the longer-lived asset, an amount of the payment payable by the lessee to a payee for the Shorter-lived asset for lease of the shorter-lived asset being segregable from an amount payable by the lessee to a distinct payee for lease of the longer-lived asset, the segregation reflecting the distinct ownership or financing, the segregable payment stream directed to the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease covering the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” are

features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 193 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 193 is therefore unpatentable under § 103.

Claims 194-196, Weatherly does not explicitly teach the features “wherein rent payments under the shorter-lived asset lease are fully tax deductible to the lessee; the shorter-lived asset was financed by debt issued by a special purpose entity, the debt being non-recourse against the special purpose entity, the lessor and the shorter-lived asset; and at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the lessee”.

However the limitations “wherein rent payments under the shorter-lived asset lease are fully tax deductible to the lessee; the shorter-lived asset was financed by debt issued by a special purpose entity, the debt being non-recourse against the special purpose entity, the lessor and the shorter-lived asset; and at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the lessee” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of

claims 194-196 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 194-196 are therefore unpatentable under § 103.

Claim 197, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 2 lines 19-65, Column 4 lines 12-30 and claims 15 and 29).

Weatherly does not explicitly teach the features of a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing; financing for the tenant improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) a primary investor, secondary investor, or lender, who contributed capital to the improvements or to an entity owing the improvements.

However the limitations "a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space,

an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing; financing for the tenant improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) a primary investor, secondary investor, or lender, who contributed capital to the improvements or to an entity owing the improvements" are features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability ("tax strategy") pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to differentiate the invention of claim 197 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claim 197 is therefore unpatentable under § 103.

Claims 198-203, Weatherly does not explicitly teach the features "wherein: the lease of the improvements and the lease of the space lease is structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the segregable amounts paid for lease of the tenant improvements are fully tax deductible to the tenant; the tenant improvements were financed by debt issued by a special purpose entity, the debt being non-recourse against the

special purpose entity, the landlord and the improvements; the debt is secured by a lien on the segregable payments for lease of the tenant improvements; at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; and the present value of segregable amounts paid for lease of the tenant improvements are at least equal to a value of the tenant improvements at a time of commencement of the lease of the tenant improvements”.

However the limitations “wherein: the lease of the improvements and the lease of the space lease is structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the segregable amounts paid for lease of the tenant improvements are fully tax deductible to the tenant; the tenant improvements were financed by debt issued by a special purpose entity, the debt being non-recourse against the special purpose entity, the landlord and the improvements; the debt is secured by a lien on the segregable payments for lease of the tenant improvements; at least about 80% of the capitalization of the special purpose entity is a loan to the special purpose entity secured by a triple-net absolute obligation of the tenant; and the present value of segregable amounts paid for lease of the tenant improvements are at least equal to a value of the tenant improvements at a time of commencement of the lease of the tenant improvements” are further refinements of the features which act to reduce the tax liability. These features therefore recite a strategy for reducing, avoiding, or deferring tax liability (“tax strategy”) pursuant to Section 14 of the Leahy-Smith America Invents Act. Accordingly, these claim limitations are being treated as being within the prior art and are insufficient to

differentiate the invention of claims 198-203 from the prior art. Thus, the differences between the claimed invention and the invention disclosed by Weatherly are insufficient to differentiate the claimed invention, and claims 198-203 are therefore unpatentable under § 103.

Response to Arguments

13. In response to Applicant's assertion that the specification provides support for the claim language of "computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, the improvements lease being a lease of improvements" (for Claim 2) or similar language", the Examiner respectfully disagrees. The Applicant alleges that language "at least some portion of the lease being or having been performed by processing data in a non-transitory memory of a computer" is supported by the language "at least some portion of the lease being or having been performed with assistance of a computer processing data in a tangible memory of a computer" that was previously recited in the claim. However, looking at the specification as originally filed, the only mention of something performed on a computer is on page 19 of the original specification that reads "Referring to Fig. 2c, computer software 250 for originating, managing and analyzing tenant improvement leases 100 may be provided, for instance, by lender 200 and businesses affiliated with lender 200. Such software may improve market efficiencies or capture surpluses in market inefficiencies. The software may further provide electronically integrated loan origination primary and secondary loan transactions, information management, and related services, data storage, risk management, allowing tenants 102 and landlords 104 to consolidate and centralize activities for financing tenant improvements. The software may enable tenants and landlords, or their representative brokers and leasing agents, to (a) model a lease structure for financing tenant improvements in

comparison to traditional financing alternatives, (b) apply directly to a lender's credit underwriting department for a loan based upon input provided, (c) receive electronic notification of credit determination, and (d) receive coordination support throughout the closing process. Access to the software may be provided over the internet on a thin client basis, from a central server array, or through other computer access networks". This disclosure clearly states that software for originating, managing and analyzing tenant improvement leases may be provided. Firstly, there is no reference to using this software for any other type of lease other than tenant improvement leases. Secondly, this disclosure does not imply that processing or computing data is performed in a non-transitory memory of a computer. Thirdly, this disclosure does not imply "processing data in a non-transitory memory of a computer, the computation in furtherance of a lease of leasing a space from a landlord to a tenant under a space lease" as claimed in many of the claims. The software is only for improvements leases. Fourthly this disclosure does not imply "the data processed in the non- transitory memory representing one or more of a group consisting of the landlord, the tenant, a special purpose entity, a credit rating, a transaction date, a dollar amount, an investor or lender" as claimed in many of the claims. Similarly the disclosure in the original specification does not provide support for other limitations in the claims identified in the 112, first paragraph rejections. In responding to these rejections the Applicant is required to identify in the original specification support for the limitations that are claimed.

In response to Applicant's assertion that the specification provides support for the claim language of claims 181 and 182, the Examiner respectfully disagrees. The Examiner is unable to find support for limitations in these claims in the original specification (and particularly in paragraph 87 or Figure 2C of the original specification) as discussed in the rejections under 112,

first paragraph. Figure 2C refers to computer software. However the structures of a computer system claimed in claims 181 and 182 are not adequately disclosed in Figure 2C and/or paragraph 87 of the original specification. Hence the rejections under 112, first paragraph for claims 181 and 182 are maintained. In responding to these rejections the Applicant is required to identify in the original specification support for the limitations that are claimed.

In response to Applicant's statement "Claim 197 (which is the claim the Examiners apparently regarded as supported by the specification but for the computer implementation issue) could be amended to explicitly recite "processing with a computer data stored in a non-transitory memory of a computer." The suggestion is in order to see if the Examiner is agreeable to the language and will withdraw the Section 112, second paragraph rejection. Response is requested" the Examiner would like to state that such an amendment will not overcome the Section 112, second paragraph rejection because there is no support in the original specification for such an amendment. Hence the rejection under 35 USC 112, 2nd paragraph is maintained.

In response to Applicant's assertion "The Action queries "in claim 181 it is not clear what kind of assistance is provided." The claim is broad, not indefinite. The precise kind of assistance is irrelevant: if "assistance" exists, the assistance falls within the claim, and if there is no assistance from a computer, then the claim is not satisfied. The Action queries "it is not clear what the term 'assist a tenant in entering an improvements lease' entails." The metes and bounds are clear. The claim language is reasonably definite, though broad", the Examiner disagrees. The metes and bounds of the limitation "providing assistance" are unclear. The Applicant has failed to provide the clarification in the claim and in the original specification. Hence the rejection under 35 USC 112, 2nd paragraph is maintained.

In response to Applicant's assertion "The Action queries "what is the structural cooperative relationship" between the hardware, software and memories. The structural relationship is the same as is typical of a programmed computer with memory. One of ordinary skill would understand this relationship and there is no indefiniteness" the Examiner disagrees. In any apparatus or system the structural cooperative relationship between the elements must be properly claimed. Such structural cooperative relationship must be described in the original specification so that it is clear to one of ordinary skill in the art as to what is the scope of the claimed apparatus or system. The Applicant has failed to provide the clarification in the claim and in the original specification. Hence the rejection under 35 USC 112, 2nd paragraph is maintained.

In response to Applicant's assertion "The Action queries if the two memories are one and the same or different memories. They are recited as two memories but different segments of a memory module or chip may be defined as a "memory". One of ordinary skill in the art would understand that a memory module or chip can be mapped to comprise two memories", the Examiner disagrees. What is claimed must be described in the original specification so that it is clear to one of ordinary skill in the art as to what is the scope of the claim. The Applicant has failed to provide the clarification in the claim and in the original specification. Hence the rejection under 35 USC 112, 2nd paragraph is maintained.

In response to Applicant's assertion "The claims each recite methods, and specify that some part of the method requires processing or computing by a computer. A computer is indisputably a "machine." Processing or computing in a machine is not "abstract." The claims meet the "machine or transformation" test, and are not otherwise abstract. Therefore, they are §

101 subject matter. Further, the Supreme Court in the case *Bilski* ruled the "machine or transformation" test is not the sole test for patent eligibility under Section 101.

Additionally, the rejections seem to incorporate a strategy of striking out any language to a general purpose computer which is an apparatus and then, judging the claims as directed to a method. "The computer is merely an object on which the method operates." Office Action dated May 26, 2011, page 13. There is no support for striking out claim language for analysis under Section 101. "The computer is generically recited such that it covers any computer capable of performing the claimed step(s). There is nothing in the specification to suggest that the computer is a particular machine." Office Action dated May 26, 2011, page 13. There is no legal support for denying patent protection to an invention where a generic computer is programmed, whether it is the process or the apparatus that is claimed. There is no legal citation for the refusal to permit patent protection to a programmed general purpose computer", the Examiner respectfully disagrees with the Applicant's characterization of the rejection under 35 USC 101. As discussed in the rejection, the method claims perform no physical transformation and does not recite how a specific machine is used, and therefore recites no more than an abstract idea. The Supreme Court recently held that claims that explained the basic concept of an activity (leasing) would allow the Appellant to pre-empt the use of this approach in all fields, and would effectively grant a monopoly over an abstract idea. *Bilski v. Kappos*, 130 S.Ct. 3218, 3231 (June 2010). Abstract ideas are not patent eligible. *Id.* at 3225.

For instance Claim 1 does no more than lay out the concept of leasing space and improvements. The claims neither refer to a specific machine by reciting structural limitations to any apparatus, nor recite any specific operations that would cause a machine to be the

mechanism to calculate information, or to receive payments. Indeed to process data, and compute data requires no machine; only the conscious thought of the one controlling the operation. To receive payments requires only an agreement that such a deposit is made. Absent any specific structural limitations on how one acts to perform these steps, these claims recite no more than the abstract concept of leasing tangible and intangible assets. As in *Bilski*, these claims pre-empt the use of this approach in all fields, and would effectively grant a monopoly over an abstract idea.

In a "computer-implemented method," even if some physical steps are required to obtain information from the database (e.g., entering a query via a keyboard, clicking a mouse), such data-gathering steps cannot alone confer patentability (*CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. Aug. 16, 2011)). Simply using some computer-implemented method in some undefined manner alone cannot confer patentability. More recently, claims were held to be non-statutory where the claims here recite only that the method is "computer aided" without specifying any level of involvement or detail. The fact that certain algorithms are disclosed in the specification does not change the outcome. In considering patent eligibility under § 101, one must focus on the claims. This is because a claim may "preempt" only that which the claims encompass, not what is disclosed but left unclaimed. *Dealertrack v Huber* --- F.3d, 2012 WL 164439 (Fed Cir 2012)". Hence the rejection of method claims under § 101 are maintained.

In response to Applicant's assertion "With respect to the rejection of Claims 28-30, 53-55 and 181-203 under 35 U.S.C. 103(a) as unpatentable over Weatherly et al., the rejections acknowledge that the Weatherly patent does not disclose numerous features recited in the claims. The Office Action then states, "However these features are interpreted as non-functional

descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal." May 26, 2011 Action at page 15. A similar statement appears at page 17, lines 7-10 of the March 14, 2012 Office Action. Thus, the Examiner gives no patentable weight to much of the recited claim language", the Examiner disagrees. In claim 28, for instance, the limitation "each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease" describes the proposal and not the acts of soliciting proposals, or soliciting offers of financing from lenders to the tenants' proposals, and notifying the respective tenant and lender when an offer matches a proposal. In this claim the description of the proposal does not in any way alter the acts of soliciting proposals, soliciting offers of financing and/or notifying the respective tenant and lender. In other words the description is not functionally related to the substrate which are the acts of soliciting proposals, soliciting offers of financing and/or notifying the respective tenant and lender. Hence the limitations describing the proposal are interpreted as non-functional descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal. Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention

from the prior art in terms of patentability). The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. In this claim there is no new and unobvious functional relationship between the descriptive material and the substrate.

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. *See In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

In response to applicant's argument that there is no teaching, suggestion, or motivation to combine the references, the examiner recognizes that obviousness may be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *See In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988), *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992), and *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398, 82 USPQ2d

1385 (2007). In this case, the motivation to combine is knowledge generally available to one of ordinary skill in the art and the combination would have yielded predictable results.

In support of the Official notice taken that using a computer to solicit proposals over the Internet is old and well known, the Examiner would like to provide the Quelen reference (US Pub. No. 2002/0038292 A1) that describes using a computer to solicit proposals over the Internet.

In support of the Official notice taken that soliciting offers of financing using an auction protocol is old and well known, the Examiner would like to provide the Zandi reference (US Patent 5,966,699) that describes soliciting offers of financing using an auction protocol.

Applicant's other arguments with respect to pending claims have been considered but are moot in view of new grounds of rejection.

Conclusion

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are listed on the enclosed PTO-892.

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles R. Kyle can be reached at (571) 272-6746. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications

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may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Narayanswamy Subramanian/
Primary Examiner
Art Unit 3695

January 25, 2013